



The Progress of Social Security in the Americas in 1944

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In pursuance of one of the resolutions adopted at the 26th Session of the International Labour Conference in Philadelphia in 1944, the International Labour Office is giving its fullest support to the Inter-American Committee on Social Security, set up by the Inter-American Conference on Social Security in Santiago, Chile, in 1942.¹ The following article, summing up the progress made in social security measures in the various countries of the American continent in 1944, was written primarily for the next meeting of the Inter-American Committee on Social Security. The author, Mr. Arthur J. Altmeyer, is the Acting Chairman of that Committee and also Chairman of the Social Security Board in the United States. Many of the legislative measures to which he refers have already been analysed in the Review, but it is thought that this general survey will be of value as showing the general reader the extent of the advances recently made in the social security field in the Americas.

A SURVEY of social insurance developments in the American nations during 1944 shows that all sections, from the Arctic Circle to the Straits of Magellan, participated in the movement toward greater security for the workers of the hemisphere. New general systems or large-scale new programmes were either enacted or made operative in Argentina, Canada, Mexico, Paraguay, and Venezuela. Large-scale plans not yet adopted but published in their current form for the first time in 1944 appeared in Bolivia, Brazil, Canada, and Cuba. In Chile and the United States the year passed without the enactment of previously announced compre-

¹ Cf. "A New Structure of Social Security", *International Labour Review*, Vol. XLVI, No. 6, Dec. 1942, pp. 661-691.

hensive plans, but these programmes have not been set aside. In practically all the nations, including those mentioned, there was a steady development of social insurance. This was marked in some cases by extension of coverage to new groups, as in Uruguay, and in others, such as Peru, by geographical expansion towards the goal of nation-wide application.

For the hemisphere, as well as for the world, the 26th Session of the International Labour Conference, held in Philadelphia from 20 April to 12 May 1944, was of the greatest importance. Social security objectives and methods of attaining them were embodied or implicit in various resolutions and Recommendations adopted by the Conference.

The Conference adopted three major resolutions and seven major Recommendations formulating principles to be referred by the delegates to their respective Governments for adoption and action. The first of the resolutions, "an international bill of social and economic rights for the common man", which became known as the Declaration of Philadelphia, dealt with the aims and purposes of the International Labour Organisation and the principles which should inspire the policy of its Members. The second, adopted at the final session, stated the social objectives suggested for inclusion in any peace treaty or treaties adopted at the end of the war. The third dealt with economic policies for the attainment of these social objectives. All three resolutions were adopted unanimously.

The seven Recommendations—each adopted by at least a two-thirds majority—included proposals for further steps within each country towards attaining income security by unification or co-ordination of existing or future social security programmes, and extension of such programmes to all workers and their families; national programmes of medical care, to be provided for entire populations either through social insurance and supplementary social assistance, or through a public medical care service; minimum standards of labour policy for dependent territories, and organisation of employment in the transition from war to peace. The details of these resolutions and Recommendations were based largely upon the experience of individual nations. In their totality they provide a standard by which every country can test its achievements and a goal towards which every country can progress.

In addition to the Recommendations of universal application, a number of matters were of particular interest to the American nations, which are strongly represented in the International Labour Organisation and its Governing Body. The year had begun with a strong endorsement by the I.L.O. Governing Body—at its Decem-

ber 1943 Session in London—of the Inter-American Conference on Social Security held in 1942 in Santiago de Chile. At the Philadelphia Conference, moreover, Resolution No. XIII, on international administrative co-operation to promote social security, called attention to the Santiago resolution on the same subject. Resolution No. XXII adopted at Philadelphia was a request to the Governing Body to consider making Spanish and Portuguese official languages of the I.L.O. In the words of this resolution, “the nations of Latin America have unanimously developed, spontaneously and with exceptional rapidity, a social policy based on the international Conventions and on the general conceptions of the protection of labour and collective welfare”. An interest in the relations between social security and public health was shown at the Fifth Pan American Conference of National Directors of Health, Washington, 22-29 April 1944, which recommended that a committee be created to study this question. The Pan American Sanitary Bureau was asked to arrange for an interchange of views between the proposed committee and the International Labour Office.

SOUTH AMERICA

Social security developments in South America during 1944 were many and varied.

Argentina

Argentina's new social insurance legislation for workers in commerce, adopted on 22 November 1944¹, and effective as from 1 January 1945, will bring an estimated million workers under a system of old-age, disability, and survivors' insurance. The normal contribution rate is 16 per cent. of wages, the worker paying 7 per cent. and the employer 9 per cent. There are provisions for special taxes to provide for recognition of prior service for benefit purposes. Retirement and disability benefits vary from slightly over 50 per cent. of recent average salary in the highest-paid groups to nearly 100 per cent. in the lower wage brackets.

The proclamation of this Legislative Decree on 4 December in the presence of a large crowd of commercial workers assembled before the building of the Ministry of Labour and Social Welfare was in the nature of a climax to three previous important steps taken by the Argentine Republic within a year's time. These were: (1) the creation on 27 November 1943 of the Ministry of Labour and Social Welfare²; (2) the creation on 25 April 1944 of a temporary

¹ Cf. *International Labour Review*, Vol. LI, No. 5, May 1945, p. 661.

² *Ibid.*, p. 641.

National Social Insurance Council to study the question of unifying the five great retirement funds (civil service, railways, banks, merchant marine, and public utilities and journalists); and (3) the establishment on 27 October 1944 of a permanent National Social Insurance Institute¹ to replace the Council.

Argentina has thus effected a comprehensive reorganisation of its social insurance pension programmes and in addition has greatly extended the covered population. Under the Legislative Decree of 27 October the separate funds have become corresponding sections within the National Social Insurance Institute. They retain, for the time being, their separate contribution and benefit rates, but unification of these broadly similar programmes is prescribed within two years.

Other developments of the year in Argentina include the coverage, in April, of more than 25,000 additional families under the old-age pension system for the personnel of public service enterprises through its extension to the personnel of hospitals, medical institutes, general hospitals, and sanatoria.

Regulations for the journalists' system of old-age, disability and survivors' insurance were promulgated on 3 June 1944, thereby making effective the programme contemplated in the original law of 27 June 1939. All persons working for newspapers, periodicals, or news agencies are covered, including supervisory and technical personnel of publishing houses. Contributions are assessed on a salary up to 1,000 pesos monthly, the employee paying 7 per cent.; the employer, 3.5 per cent. plus 10 per cent. of income from official advertisements; and the State paying 5 per cent. of all remuneration. The full old-age benefit—varying from 65 to 90 per cent. of salary—is payable at the age of 55 after 30 years of service.

The railway retirement system was modified by a Legislative Decree of 3 June 1944, which expanded coverage and reduced from 15 to 10 years the time needed to qualify for survivor or disability benefits. The minimum monthly insurance payment for retirement or disability is 70 pesos; for survivors, 50 pesos. The contributions fixed in October 1942—workers 8 per cent., railroads 12 per cent.—were re-enacted, but the salary limit on which both benefits and contributions are based was raised from 1,000 to 1,500 pesos monthly.

Other measures for railway workers were: the creation of a General Bureau of Assistance and Social Insurance for Railway Workers; the provision of paediatric, gynaecological, obstetrical and pharmaceutical services for railway workers and their families; and a grant of one million pesos to the *Unión Ferroviaria* and *La*

¹ Cf. *International Labour Review*, Vol. L, No. 6, Dec. 1944, p. 786.

Fraternidad for social assistance and for a social insurance hospital for railroad men.

A nation-wide programme of hospital construction is resulting in the completion, initiation, and authorisation of numerous institutions, as well as in additions to many existing Argentine hospitals in all sections of the country.

Brazil

The Brazilian social insurance systems have been the subject, during 1944, of extensive discussion in the press, in conferences of experts, and in high official pronouncements. Although the year did not see the suggested consolidation of social security laws which had been predicted at the end of 1943, it was nevertheless a period of great activity.

An Order of the Ministry of Labour, Industry and Commerce, of 12 February 1944 created the Commission to Manage Social Insurance Reserves (*Comissão de Aplicação das Reservas da Previdência Social*). The Minister of Labour, as head of the National Labour Council, and the chairmen of the national provident institutes make up this body, which has for its main function the co-ordination of social insurance investments with a view to solvency, maintenance of purchasing power, and social objectives generally. President Vargas, in an address on 1 May 1944, announced a programme of investment of social insurance funds which would provide for social advances, including low-cost houses for factory workers, healthful restaurants, hospitals, milk stations, and other facilities. A later Ministerial Order of 3 August, formulated after consultation with the President, makes the Commission competent to determine the percentage of social insurance reserves to be applied to each field of assistance to the workers. "Assistance" is taken to mean housing, nutrition, clothing, and health. The Order also strengthened the authority of the Commission with respect to detailed planning for the construction and financing of low-cost housing.

Workmen's compensation in Brazil was reformed by Legislative Decree No. 7,036 of 10 November 1944¹, which applies to all employments including agriculture, liberalised the provisions as to disabilities covered, raised the amounts of benefits, and made other changes. Eventual insurance through the social insurance institutes exclusively is contemplated in the Decree.

Legislative Decree No. 6,905², signed on 26 September 1944, regulates the granting of sickness benefits to workers insured in

¹ *Idem*, Vol. LI, No. 5, May 1945, p. 657.

² *Ibid.*, p. 656.

institutes which provide such payments. The employer is to pay two thirds of wages for the first 15 days; the insurance organisation is to continue payments thereafter.

Legislative Decree No. 6,707, effective as from 20 July, speeds up the processing of social insurance benefits. By this law, the work-book (*carteira profissional*) becomes *prima facie* evidence of eligibility for benefit purposes, and is valid without other documentation for six months in the case of cash benefits and for two months for medical and hospital services. Provision is made for repayment of benefits which the individual has received but for which he was not eligible.

The year witnessed steady development in special assistance programmes. Allowances for children in large families were paid to an increasing number of beneficiaries, while the Social Insurance Nutrition Service (*Serviço de Alimentação da Previdência Social*), which had been reorganised in 1943, encountered a steadily increasing demand for its low-cost restaurants, retail food stores, and technical services.

Social security planning was notably advanced in Brazil during the year. A Bill submitted to the President on 15 September called for unification of all the existing funds and institutes, uniform contributions and benefits, coverage of agricultural workers, and a minimum benefit equal to a living wage. It provided for a single organisation to include all the present systems, and left many details of contributions, benefits, and other matters to a special commission which would provide a complete plan within six months. No action was taken on the proposal during the remaining months of the year. A set of principles for the guidance of Brazilian social security planning was drawn up in the "Resolution of São Paulo on Social Insurance and Assistance", following the sessions of the First Social Insurance and Assistance Week, São Paulo, 28 October-4 November. The meeting was sponsored by the Institute of Social Law. The Resolution advocates eventual coverage of all workers, uniform contribution rates, and for disability and old-age insurance, a basic minimum plus supplements. It recommends health and maternity insurance, survivors' pensions, funeral grants, and health benefits in kind for the family of the insured worker. The Resolution does not favour immediate codification of Brazilian social insurance legislation, and it opposes administrative unification of the social insurance organisations.

An earlier meeting of broad economic and social importance, the First Brazilian Economic Congress¹, which convened at Rio de Janeiro from 26 November to 10 December 1943, adopted recom-

¹ Cf. *International Labour Review*, Vol. XLIX, No. 6, June 1944, p. 687.

mendations concerning social security. Among them were co-ordination of the present systems, aid to agricultural workers, and the "complete nationalisation and democratisation of social insurance".

Both of these congresses recommended active Brazilian co-operation with international social insurance organisations, and also with the International Labour Organisation. Brazil was strongly represented at the Philadelphia Conference, and the delegates, since their return to Brazil, have widely publicised the results of the meeting.

Chile

The twentieth anniversary of Chile's national Compulsory Invalidity and Sickness Insurance Act—the famous Act 4054 of 8 September 1924—was celebrated in 1944. Among the individuals honoured were Arturo Alessandri Palma, now a Senator, who was President of the Republic at the time the Act was adopted, and Dr. Exequiel González Cortés, now medical adviser to the Fund, who as a member of the Chamber of Deputies introduced the original Bill as early as 1918. The vitality of the Chilean workers' system is clearly brought out in the special anniversary number of the *Boletín Médico-Social*, published by the *Caja de Seguro Obligatorio*. Some twenty articles provide a comprehensive picture of the Act, its workings, and its problems.

The principal change in the workmen's system this year was the Act of 23 June removing the salary limit of 12,000 pesos yearly. Manual workers are now covered by the system no matter what their remuneration. A number of modifications were made in the systems which serve salaried employees and other special groups, under the Act which permits establishment of such systems if their benefits are at least equal to those under the broad national system. By Act of 18 July, effective 3 September, the Journalists' Section of the National Fund for Public Employees and Journalists (*Caja Nacional de Empleados Públicos y Periodistas*) was reorganised administratively, coverage was substantially increased, medical care was made part of the system, and pension rates were increased. All minimum benefits, including those for survivors, were raised to at least the living wage for salaried employees as fixed in Santiago. The National Council of the Fund later recommended to the President of Chile that the permissive increase of total contributions by 2.5 per cent. of wages for employers and employees be invoked in order to provide financing commensurate with the benefit increases. In the interests of the stability of the Fund, the Council proceeded with caution in making some of the specified benefit increases effective.

The National Merchant Marine Fund (*Caja de Previsión de la Marina Mercante Nacional*) was modified in February.¹ Existing cash benefits were substantially increased for persons in receipt of disability, old-age, and survivors' insurance payments. Under the amended provisions, disability and old-age pensions cannot be lower than the current living wage in the Department of Valparaíso at the time the benefit is awarded. This amount is increased by 10 per cent. of the living wage for each dependent child. Survivors' pensions are fixed at 75 per cent. of the benefit to which the insured would have been entitled, and may not be lower than the living wage.

The organic statute governing public administrative personnel, Decree No. 2500, signed 24 June 1944, establishes family allowances of 60 pesos monthly (more in some provinces) for each dependant. A number of important social security provisions in the law require the approval of the Congress before taking effect. These include basic liberalisation of the conditions of retirement, workmen's compensation, survivors' benefits, and dismissal wages for public employees.

A new Child Welfare Bill was reported by the Commission on Medico-Social Assistance and Hygiene of the Chamber of Deputies. It would unify all child aid in accordance with the principles that mother, child, and adolescent should receive broad protection; that the General Child Protection Bureau should have the necessary authority—including control of private care—to bring this about; and that this organisation should have adequate financial support. Financing of the Bill would rely chiefly upon an added tax on wine, estimated to yield about 30 million pesos yearly.

Venezuela

Venezuela began to apply its social insurance programme under the 1940 Compulsory Insurance Act² by setting up sickness, maternity, and industrial accident insurance in the Federal District and the adjacent municipalities of Chacao and Letare. Benefits were first provided on 9 October 1944. Under the Venezuelan Social Insurance Act, all persons working under a labour contract are covered, but, except for industrial accident insurance, persons earning more than 9,600 bolívars per year are excluded. In its present application, moreover, the programme does not cover the self-employed, agricultural labour, stock raising, certain home-workers, and domestic, temporary, family or casual workers.

¹ Cf. *International Labour Review*, Vol. L, No. 3, Sept. 1944, p. 394.

² *Idem*, Vol. XLII, Nos. 2-3, Aug.-Sept. 1940, p. 140.

Dependants are included in the health insurance programme and, for medical care, under maternity insurance as well.

Administration is relatively decentralised. A Central Social Insurance Institute is created under the supervision of the Ministry of Labour, with authority to gather statistics, make actuarial studies (including the preparation for old-age, survivors' and unemployment insurance), supervise and formulate principles for the guidance of regional funds, and fix wage classes and contributions. It has general power to enforce the Act.

The regional funds—the first of which was set up under the Decree of 19 April—administer and enforce health and maternity insurance in their areas. In workmen's compensation they act as agents of the Institute. Subject to approval by the Institute, they make up their own budgets and draft their own rules. They may establish local agencies, whose managers are appointed by the regional executive committee with the approval of the Institute. Organisation of medical services, through separate facilities or by arrangement with existing public or private institutions, is the responsibility of the regional funds. Benefits in case of sickness are payable to the insured worker and his dependants without any qualifying period. Medical care is provided from the first day of illness up to 26 weeks. Cash benefits, at two thirds of the daily wage, are payable to the insured person from the fourth day of incapacity up to 26 weeks. Maternity benefits in kind and in cash are payable to insured women, the cash benefit being two thirds of wages for a period of 6 weeks before and 6 weeks after birth, provided the beneficiary stops working. For the family of an insured person, maternity prenatal and obstetrical care is provided if 13 contributions have been paid in the year preceding confinement, and if at least 4 of these were paid in the first quarter of that year.

Contributions under the new Venezuelan system are—for health and maternity insurance—roughly 6 per cent. of wages, equally divided between worker and employer. A system of 5 wage classes, with corresponding contributions, may be changed by the Institute upon authorisation by the Minister of Health and Social Assistance and the Minister of Labour. The financial support for workmen's compensation, which is an integral part of the Government's social insurance programme, is derived from employer contributions. These vary in amount according to the worker's wage class and the risk class in which the undertaking is classified. As there are only five such categories, the premium structure is simple. The medical benefits are the same as for health insurance, though without time limit, and the cash benefits are also the same up to 26 weeks. Thereafter, special rules govern the disability payments.

Paraguay

Paraguay's new social insurance legislation of 13 April 1943¹, as implemented by the regulations of 26 November 1943², went into effect on 1 February 1944. The Decree covers all employed persons, including (though at a later date not yet determined) the self-employed, agricultural workers, and domestic workers. Voluntary insurance is available for persons not compulsorily insured, including the family of the employee, persons over 60 years of age, and small urban or rural landowners.

Benefits under the Decree comprise old-age, disability, survivors', maternity, and industrial accident insurance. The benefits which went into effect in 1944 were medical benefits for health and maternity insurance, and both cash payments and medical care for industrial accident insurance. Medical, surgical, and hospital services and drugs are provided for a period of 26 weeks (52 weeks in certain cases). Systematic medical examinations are planned for the purpose of establishing preventive-medicine services. Provision is made for the co-ordination of insurance care with the medical services of the social assistance authorities.

Insurance against occupational accidents and diseases is compulsory, and the medical benefits are the same as for health insurance except that orthopaedic appliances are provided. The cash benefit is 75 per cent. of wages during temporary incapacity and 60 per cent. for total permanent disability. Widow's pensions are 24 per cent. of average salary; orphans' pensions, 12 per cent.

The administrative body is the Social Insurance Institute, which is composed of two main departments, administrative and medical. Contributions are: for the insured, 3 per cent. of wages; for the employer, 6 per cent. (plus 4 per cent. for workmen's compensation); and for the State, 1.5 per cent. Wages of more than 200 guaranis monthly are not assessed for insurance purposes.

Ecuador

On 1 October 1944, the Ecuador Pension Fund—which is the branch of the National Insurance Institute covering public and banking employees, as well as employees of private insurance companies—began operating under the regulations promulgated in December 1943 to implement the basic amending Act of July 1942. Operation of a corresponding regulation for the Insurance Fund, however, was suspended by Decree of 29 June 1944, with the result

¹ Cf. *International Labour Review*, Vol. XLVII, No. 6, June 1943, p. 785.

² *Idem*, Vol. L, No. 3, Sept. 1944, p. 391.

that a change in the insurance for workers and salaried employees in commerce and industry generally was postponed.

The Ecuador Pension Fund provides sickness and maternity insurance, and disability, old-age, and survivors' benefits. Medical care, including surgery, medicine, and dental attention, is available for 26 weeks and cash benefits for 25 weeks. The cash payment is 50 per cent. of salary for 4 weeks, and 40 per cent. for 21 weeks. To qualify for health insurance benefits in either cash or medical attention, it is necessary to have paid 6 monthly contributions, of which 2 must have been paid in the 6 months immediately preceding the illness. Maternity benefit—including obstetrical care and cash equal to 75 per cent. of wages for 3 weeks before and 4 weeks after confinement—are paid to the insured woman who has made at least 6 monthly contributions in the 12 months preceding delivery. Old-age benefits in the Ecuador Pension Fund are paid at age 55 after 30 years of contributions, or at age 65 to persons who have paid at least 180 monthly contributions. Disability benefit is payable after 60 monthly contributions. These pensions are at least 45 sucres monthly, and are computed as 40 per cent. of average annual wages in the last 5 years, plus 1.25 per cent. of this wage for each year of contribution after the first 5 years. The pension is suspended if the insured person remains in covered employment, but is increased by reason of such work.

Contributions are 14 per cent. of wages and salaries, divided equally between employer and employee. The State pays a subsidy equal to 40 per cent. of expenditure for old-age, disability, and survivors' benefits. Insured persons also contribute 1 per cent. of their wages towards a funeral fund. The amount of the funeral benefit is determined according to financial resources, mortality statistics, and other data.

Uruguay

Uruguay, during 1944, proceeded with the development of family allowances, and of a retirement system for rural workers, with the registration of domestic servants for retirement benefits, and with the registration of workers for the workbooks which will be used to determine eligibility for pension benefits.

The family allowance system is part of a broader Act of 12 November 1943¹, which provides for minimum wages, the settlement of wage disputes, and for family allowances. Various types of family allowance funds, including private company payments, may be approved. The monthly benefits—ranging up to 6 pesos per child in families with income not over 200 pesos per month—

¹ *Idem*, Vol. XLIX, No. 2, Feb. 1944, p. 245.

are financed by employer contributions. Coverage is broad, extending to all workers of either sex who perform services for an undertaking, excluding agricultural concerns.

The Uruguayan rural workers' retirement system established by the Legislative Decree of 20 January 1943¹, was put into effect by regulations of 15 June 1944. The fund is a part of the Institute of Civil Retirement and Survivors' Pensions. It pays a minimum benefit of 10 pesos monthly in case of disability or old age, and provides also for survivors' pensions and unemployment benefits. The programme covers all persons performing rural services, including independent workers, employers who are active in managing or working their properties, persons—such as technicians, administrators, clerical staff, and domestics—who perform services for concerns engaged in rural development, and farmers or gardeners in urban or rural centres. The system is financed by a direct rural real estate tax collected by the general tax authorities, by a stamp tax of one half of 1 per cent. on transfers of title to rural real estate, by voluntary contributions of the insured, and by other sources. Services performed prior to the legislation are to be recognised in awarding benefits. The normal retirement age is 60 years, and for full benefits at least 30 years of recognised service are essential. However, 10 years of service will provide a basis for obtaining a reduced pension at age 60.

The date for the registration of domestic servants under the retirement system established on 22 July 1942 was extended until 12 September 1945. This programme is administered by the Retirement Fund for Industry, Commerce and Public Services of the Institute of Civil Retirement and Survivors' Pensions. It covers domestic servants, doormen, cooks, and similar workers. The employer pays a contribution of 10 per cent. plus one peso per month for each worker, the worker, 5 per cent. Past services are recognised in computing benefits.

In July 1944 the Institute of Civil Retirement and Survivors' Pensions began to register workers throughout the country for the stamp books which are to be used to collect social security contributions in Uruguay. The stamps will show payments made by employers and workers, and will provide the eligible worker with proof that the required contributions have been paid. This system is also expected to improve the enforcement of collection of requirements.

On 6 September 1944 a subcommittee on social security of the Uruguayan Commission for the Study of Post-War Economic, Financial, and Social Problems presented to the Commission a

¹ Cf. *International Labour Review*, Vol. XLVII, No. 5, May 1943, p. 666.

statement affirming that the country's pension system needs basic improvements, including scientific actuarial study and eventual replacement by a system that is financially stable. A unified system to provide all types of benefits is declared to be desirable, and the subcommittee found that the most urgent immediate needs were for protection against sickness, maternity, and unemployment risks. A co-ordination of existing public and private services was urged for health insurance. The Commission approved the subcommittee's statement.

Peru

By Decree of 6 September 1944, and upon completion of the workers' hospital in that locality, the medical services of Peru's Compulsory Social Insurance Fund, a system for manual workers, were extended to the seacoast province of Arequipa. Workers' contributions at 1.5 per cent. of wages and employers' contributions of 3.5 per cent. were initiated on 19 November; medical benefits were made available from 25 November. Contributions to provide for weeks of service prior to 19 November are to be paid by employers at the rate of 2 per cent. of wages.

Dr. Edgardo Rebagliati, internationally distinguished for his contributions to the study of social insurance, who had been Director-General of the Peruvian National Social Insurance Fund from its beginning in 1936, resigned from his position on 6 May 1944. The resignation was regretfully accepted by the Fund, and was the occasion of many tributes to his work from national and international sources. A new Peruvian monthly journal, *Economía, Trabajo, y Seguridad Social*, commenced publication under Dr. Rebagliati's direction in September 1944.

Bolivia

Compulsory savings have been the chief form of social protection in Bolivia, but the draft of a comprehensive Bill aimed to meet the requirements of the country was published in 1944, in *Protección Social*, the official organ of the Workers' Insurance and Savings Fund.

The Bill would establish a "Bolivian Social Insurance Institute" to be comprised, at first, of social insurance funds for public employees, manual workers, and railway workers. For public employees, the benefits would be disability, old-age, and survivors' insurance, supplemented so far as financial circumstances permit by health and maternity services. Insured persons would pay 6 per cent. of salaries, and the State or municipalities would contribute

the same amount. The proposal calls for a Government contribution of 35 per cent. of the value of retirement, disability, and survivors' pensions. The manual workers' fund would provide the same types of benefits. Emphasis is placed upon insurance for miners. Mine workers' contributions would be assessed at 5 per cent. of wages, and employers' contributions at 7 per cent. Medical and maternity benefits in kind and in cash are provided under this programme, and workmen's compensation is also a part of the system for miners. For railway workers, the proposed benefits likewise include disability, old-age, and survivors' insurance and health and maternity care similar to that for miners. Contributions of 7 per cent. of wages for workers and 9 per cent. for employers are contemplated. The Bill provides that the Institute should study the question of insurance for private salaried employees and submit a plan within one year.

By Decree of 20 December 1944, section 88 of the General Labour Law of 8 December 1942 was made effective. It specifies four exclusive classes of survivors who are eligible to receive compensation equal to two years of wages in case of death from occupational accidents or diseases. These are: the widow and legitimate children; natural children who are recognised; natural children and the companion; and parents and grandparents.

Colombia

Colombia's new Labour Decree of 30 September 1944, effective only during the present emergency, unless maintained by Act of Congress, places on employers the responsibility for providing medical care and cash benefits in cases of industrial accidents and diseases. The liability for compensation is limited to two years' salary, in addition to medical care. For non-occupational sickness up to 120 days' duration, the employer is required to pay two thirds of wages for the first 60 days, one half for the next 30 days, and one third for the final 30 days. These benefits are applicable to employees in firms with 10 or more workers if machinery is used, or 20 or more if there is no machinery. Benefits are more limited in the case of smaller firms, stock raising, and domestic service in private homes. The provisions do not apply to home work, temporary employment, nor handicraft firms with not more than two workers. The Decree also provides for dismissal wages at the cost of the employer, to equal one month's salary for each year of service, provided the separation was not caused by misconduct or non-compliance with the contract. For each 3 years of continuous service, the worker acquires dismissal compensa-

tion rights corresponding to this service, regardless of the cause of his separation.

CENTRAL AND NORTH AMERICA

In Central and North America, including the Caribbean, there were no legislative developments of major importance except the much-discussed Canadian Family Allowances Act of 1944. Social security planning in the United States, Canada, and Cuba was comprehensive in character, but no legislation (except special legislation for veterans) has as yet resulted from the proposed programmes. Three countries, Mexico, Costa Rica, and Panama, were operating systems which had either been enacted the previous year—as in the case of Mexico—or profoundly modified by basic amendments. In all three, the health insurance approach was paramount. In the other nations of Central America, where conditions of industry, transportation, and population are not conducive to the adoption of typical social insurance programmes, there have been no new systems to supplement the generally adopted workmen's compensation schemes. Health and sanitation work under the Inter-American Co-operative Health Service has been carried out in Guatemala, El Salvador, Honduras, and Nicaragua, as well as in Costa Rica and Panama, but this article is not concerned with the far-reaching and important developments in that field.

Mexico

Social insurance in Mexico went into effect for the first time on 1 January 1944. Application has been limited at first to the Federal District, where industry is most diversified and the working population greatest. The administrative body is the Mexican Institute of Social Insurance, an autonomous organisation created by the basic Act which was signed on 31 December 1942 and published for the first time on 19 January 1943.¹

Benefits are at present restricted to health and maternity insurance and to workmen's compensation; the medical service benefits are available to dependants as well as to insured workers; the cash benefits are paid only to the insured worker. The total number of medical and pharmaceutical services during 1944 was 3,055,672. Fifty per cent. of the current social insurance income is allocated to reserves for paying pensions under the law. Risks to be covered later are old age, permanent disability, death (survivors' benefits), and involuntary unemployment at an advanced age. Collections

¹ Cf. *International Labour Review*, Vol. LI, No. 5, May 1945, p. 659.

during the year were 41,064,685 pesos, of which nearly 30 million pesos were set aside for the reserve fund. The programme is supported by a worker's contribution of 3 per cent. of wages, an employer's contribution of 6 per cent., and a State contribution for each type of insurance equal to 50 per cent. of the employer's payment. Workmen's compensation is charged against the employer according to a table of risks set forth in a Decree of 29 March 1944. The employer payments are made to the Mexican Institute of Social Insurance which is responsible for medical care and the payment of cash benefits for temporary or permanent disability or, in the event of death, to the survivors. Some 97,000 workers and 6,400 members of families were previously protected under collective contracts in the Federal District before these contracts were superseded by the social insurance system. The early days of administration were therefore a time of numerous adjustments, but application of the Social Insurance Act has been vigorously promoted by the authorities. Insured persons number approximately 250,000, and the medical services provided are more comprehensive in their scope, as a rule, than those which had been available under the collective contracts.

In the field of health and assistance, 1944 was the first year of operation of the new Department of Health and Welfare, created in October 1943 from consolidation of the two former Departments of Public Health and Social Welfare. Outside the capital, the Department had charge of 798 offices with a total budget of 20,528,000 pesos. The Federal Government contributed 13,228,000 pesos to this amount, the remainder coming from State Governments, collective farm enterprises, and private institutions. A total of 256 health centres were in operation.

In the Federal District, according to the President's Message of 1 September 1944, free breakfasts were served daily to 6,000 persons, while three family restaurants offering balanced low-cost meals to working families were taking care of 2,000 persons daily. In addition, three university dining rooms provided meals to more than 400 students. Admission to these restaurants is contingent upon a test of need.

Costa Rica

Costa Rica's new Social Insurance Act, as amended, and the regulations issued on 15 November 1943, provided the basis for the evolution of health and maternity insurance during 1944. Potentially a nation-wide system of insurance against virtually all risks except unemployment, the present application is limited to the six largest municipalities of the country and to the risks of sickness and

maternity, plus a funeral benefit. The system applies to both private and governmental salaried employees and manual workers and covers almost all Government employees and a great majority of the urban workers. Employers and workers each pay contributions of 2.5 per cent. of wages and the State 1 per cent. of wages (for public employment, the State also pays the 2.5 per cent. employer tax). One month's contributions qualify the worker for medical care benefits and (from the fourth day of incapacity up to a maximum of 90 days) for a cash payment of 50 per cent. of the wages received in the past month. For maternity insurance, which includes cash benefits and medical care (including free milk as needed), the qualifying requirement includes contributions in 6 of the 12 months before confinement.

Old-age, disability, and survivors' insurance will be added later, and plans also call for compulsory medical examinations of insured persons, to be followed by compulsory treatment in case of venereal disease or tuberculosis.

Another development of interest in 1944 was the unanimous adoption at the 26th Session of the International Labour Conference in Philadelphia of the resolution confirming the readmission of Costa Rica to the I.L.O., as of 12 November 1942. Costa Rica had withdrawn from the Organisation in 1927.

Panama

The Panamanian system of sickness, maternity, disability, old-age, and survivors' insurance was basically changed in 1943¹, but no word has been received of important legislative changes in 1944. The programme covers public employees throughout the nation and private workers, including independent workers earning less than 1,200 balboas per year, in the Districts of Panama and Colón. Benefits available in 1944 included medical and maternity care, cash subsidies for maternity insurance, and lump-sum death payments. The contributions are: workers, 4 per cent. of wages and allowances; employers, 4 per cent. of wages, and a State contribution from various sources of taxation which equals approximately one half of the total income. Independent insured persons pay 5 per cent. of their income, and the State contributes on their behalf an amount equal to three fifths of this sum.

Cuba

The most comprehensive plan set forth in 1944 as a basis for the national reorganisation and expansion of social security is to be

¹ Cf. *International Labour Review*, Vol. XLVIII, No. 1, July 1943, p. 113.

found in the official Cuban publication, *Seguridad Social en Cuba*, issued by the Office of Research for the Social Security Plan under the direction of Dr. Carlos M. Raggi Ageo. This publication describes in detail the existing Cuban social insurance and assistance programmes, and has in addition a specific plan, in the form of a proposed Bill, for co-ordination of all these funds and institutions.

In bare outline, the plan offers a method for combining the various retirement systems, public health and assistance institutions, and vocational training schools into a single social security system under control of an independent Social Security Institute. Basic social insurance changes to provide uniform benefits and contributions, as well as the introduction of new types of insurance, would not take effect until after a period of study, generally fixed at 5 years. However, the proposal sets out the principles to govern such changes, and is very specific in most cases as to their implementation. It provides for supplementing insurance by assistance so far as may be necessary to assure to all Cubans a subsistence income. The entire programme is set forth against a factual background which provides for the first time in one publication a systematic survey of social insurance and assistance in Cuba.

The Cuban Retirement and Social Assistance Fund for Workers and Salaried Employees of the Sugar Industry, created in 1941, was not organised until after the issue of regulations on 24 November 1943.¹ This system, which provides for old-age, disability, and survivors' insurance, has already taken its place as one of the largest Cuban retirement programmes, so far as membership and contributions are concerned. Potentially, it is the largest. The first benefits, in the form of survivors' pensions, were payable under the law from the end of 1944. After the second year (at the end of 1945), total disability benefits will be payable, and after the fifth year all other benefits to which persons of 65 or over are entitled. Not until ten years from its establishment will the voluntary retirement at ages under 65 become effective. Contributions by workers are 3 per cent.; by employers, 3 per cent. or, for agricultural employers, a tax upon the cane ground in each mill. Prior collections on the basis of the 1941 law were made from employers on the basis of profits from additional sugar quotas.

Haiti

Haiti established a National Committee for the Study of Post-War Problems by Decree of 12 May 1944.² Among the questions for study by subcommittees are social and health conditions.

¹ Cf. *International Labour Review*, Vol. L, No. 2, Aug. 1944, p. 245.

² *Idem*, Vol. L, No. 3, Sept. 1944, p. 362.

During the year, the collection of one gourde fortnightly from agricultural workers under large employers (of 50 or more labourers) was continued for the Social Insurance Fund created in May 1943. This fund combines assistance with insurance, and includes among its purposes financial aid to day labourers injured by work accidents, and to their families, and the establishment and maintenance of homes for labourers incapacitated by old age or accident. The compensation feature is in addition to the liability of employers for occupational accidents under the Labour Code. Part of the funds are to be used in organising agricultural programmes for the welfare of agricultural labour and to aid persons who may have lost their land as a result of the cultivation of strategic crops under Government order. The Insurance Fund is not yet providing benefits, but the collection of funds is going forward without administrative expenses until a considerable reserve becomes available.

United States

There were no far-reaching social security changes in the United States during the war year 1944. The comprehensive expansion and modification of social insurance and public assistance contemplated in the Wagner-Murray-Dingell Bill was not acted upon, and the Bill itself ceased to be on the calendar with the termination of the 78th Congress at the end of 1944. It is expected to be introduced again, with some modifications.

By the Public Health Service Act of 1 July 1944¹ a general consolidation and revision was effected in existing laws on the Public Health Service. Federal-State public health programmes were expanded, the progress of anti-tuberculosis programmes was promoted through added financial resources, and various other changes were made with the purpose of improving the work of the Public Health Service. The grants formerly made under Title VI of the Social Security Act, providing money for general public health work in the States, were increased from \$11 million per year to \$20 million, but the programme now derives its authority from the new law and not from the Social Security Act. Title VI of the Social Security Act has therefore been repealed.

The War Mobilization and Reconversion Act of 1944², which became law on 3 October 1944, adds to the Social Security Act, Title XII—"Advances to State Unemployment Funds". The purpose of the change, together with parallel but limited amendments to other sections of the Act, is to enable the Federal Government to make

¹ *Idem*, Vol. LI, No. 1, Jan. 1945, p. 113.

² *Idem*, Vol. L, No. 5, Nov. 1944, p. 641.

non-interest-bearing loans to such of the State unemployment insurance systems as become short of funds in the immediate post-war period.

A programme for returning veterans so comprehensive in scope as to constitute an important welfare measure became law on 22 June 1944. This is the Servicemen's Readjustment Act of 1944¹, which supplements other veterans' legislation by providing the following types of general and individual aid: additional hospital facilities; educational and training opportunities; guaranteed loans for aid in obtaining homes or purchasing farms or business property; special aid in obtaining employment; and readjustment allowances while finding employment (in effect, unemployment benefits). The so-called "readjustment allowances" during unemployment provide \$20 weekly for full unemployment (less for partial unemployment) on condition of registration for work with the public employment service. The benefits are payable for 24 weeks to unemployed veterans with 90 days of active service, and up to 52 weeks for those with 9½ or more months of service. Self-employed veterans are eligible for the payments for months when their full-time net earnings are less than \$100. The unemployment allowances became payable on 4 September 1944; the provisions will terminate 5 years after the end of the war. The Servicemen's Readjustment Act is administered by the Veterans Administration, which utilises existing Federal and State agencies.

Canada

The Canadian Family Allowances Act², adopted in August 1944, provides for the payment by the Dominion Government of from \$5 to \$8 monthly per child, including the first, without a means test of any kind. The allowance must be used exclusively for the maintenance, care, and training of the child, and may be discontinued if not so used. It is not payable to institutions, but the term "parent" is defined to include foster parents or other individuals having custody of a child. The amount varies with the age of the child and also with the number of children in the family. The allowance is decreased for children beyond the fourth. Administration is under the new Ministry of Health and Welfare. Payments will become effective on 1 July 1945. The cost of the proposal has been estimated at \$250 million per year, so that it will be one of the largest cash assistance programmes among the American nations. About one fifth of this amount will be returned through cancelling—to the

¹ Cf. *International Labour Review*, Vol. L, No. 3, Sept. 1944, p. 367.

² *Idem*, Vol. L, No. 5, Nov. 1944, p. 674.

extent that allowances are received—of the present income-tax deductions permitted on account of children. There are approximately 3,500,000 children in Canada potentially entitled to allowances under the Act.

A new Department of National Health and Welfare was created on 14 July 1944¹, to serve as an administrative, planning, and research centre in the fields of health, welfare, and social security. Its functions include the health activities of the former Department of Pensions and National Health (much of whose work has gone to the Department of Veterans' Affairs which was also established in 1944). The Department of National Health and Welfare will likewise assume other welfare functions, such as old-age and blind pensions, now in other departments.

Non-contributory old-age pensions were further liberalised by an Order in Council of 29 May 1944², which provides that pensions may be paid to persons having a private income of less than \$425 per year. The maximum pension—which was raised in 1943 from \$240 to \$300 per year—will be reduced by the annual income above \$125. The income limit for eligibility for pensions to blind persons was also raised by the Order of 29 May. Old-age pensions are payable after age 70; blind pensions, from age 40.

Health insurance for Canada, in the form of a public programme to provide adequate medical care for every person in the Dominion, has been the subject of intensive study. The House of Commons Special Committee on Social Security, although it had been appointed under broader terms of reference, limited its work almost entirely to the medical problem, and on 28 July 1944 presented its study of a draft health insurance Bill to the House of Commons.³ Prior to this, the Advisory Committee on Health Insurance, appointed in February 1942, had submitted a report which the Minister of Pensions and National Health transmitted in March 1943 to the Special Committee on Social Security. Also, the preliminary conference of Dominion and Provincial Ministers and Deputy Ministers of Health, held in May 1944, received and discussed a report on health insurance submitted by the Dominion Minister of Pensions and National Health.

The important question of financing the health services requires a solution of the much discussed problem of distributing cost among the workers, the employers, the Provinces, and the Dominion. The Special Committee on Social Security recommended, therefore, that its study of the draft Bill be referred to the forthcoming general

¹ *Idem*, Vol. L, No. 3, Sept. 1944, p. 386.

² *Idem*, Vol. L, No. 5, Nov. 1944, p. 675.

³ *Idem*, Vol. L, No. 3, Sept. 1944, p. 387.

Dominion-Provincial Conference (which has been postponed until after the next general election in Canada).

Canada's veterans' services as expanded in 1944 include war service grants, unemployment insurance parity, and out-of-work benefits, as well as educational, rehabilitation, and loan features. The war service grant is based on length of service, paying \$7.50 for each 30 days of service in the Western Hemisphere and \$15 for each 30 days of service overseas. With respect to unemployment insurance, each veteran entering insured employment has his and his employer's contributions to the Unemployment Insurance Fund paid by the Government for the time after 1 July 1941, in which he was in the armed forces. The out-of-work benefit is payable for 18 months after mustering-out if the veteran registers for work and otherwise meets the main requirements of the unemployment insurance system. It was substantially increased from the 1941 rates and is now \$50 monthly to single persons, \$70 monthly to man and wife, and is increased for dependants up to a maximum of \$128 monthly for a family with six children. This benefit is subject to such reduction because of other income as "seems right" to the Department of Veterans' Affairs. It is payable to women veterans also, but may not exceed their rate of pay at the time of discharge from the service.

CONCLUSIONS

To review, however briefly, the recent evolution of social security in our hemisphere is to realise anew the universality of the movement. Within the space of a relatively few months, almost every country has been planning and legislating for a social security system consonant with its social, economic, and political situation.

The most recent hemispheric expression of policy is to be found in the unanimous voice of the nations assembled in February and March of 1945 at Chapultepec, Mexico, for the Inter-American Conference on the Problems of War and Peace.¹ The Final Act of the Conference includes a Declaration of Social Principles of America which recommends that all the American Republics adopt social legislation "on a scale not lower than that indicated in the Conventions and Recommendations of the International Labour Organisation". It further affirms that laws or agreements should be generally adopted "in accordance with the principles of welfare, assistance and social security approved by the International Labour Conference and by the Inter-American Committee on Social Security". Maternity protection, workmen's compensation, and the

¹ Cf. *International Labour Review*, Vol. LI, No. 5, May 1945, pp. 564-588.

"promotion and broadening of social security to cover sickness, old age, invalidity, death, maternity, and unemployment", are likewise recommended. The resolution on social questions urges that the nations "adhere and give full support to the American International Institute for the Protection of Childhood", and the Declaration of Social Principles recommends "that all the American Republics support the Permanent Inter-American Committee on Social Security created by the Inter-American Conference on Social Security of Santiago de Chile in September 1942, and that they appoint the members of the said Committee".

In meetings such as those at Santiago, Philadelphia, and Mexico City a twofold aspect of our society receives conscious and unanimous expression. Each nation has by its own hard-won progress and individual experiments contributed to the development of co-operation and common standards. As a complement, each nation calls upon the experience of the international community for its own continued progress. The Republics find strength in their unity.
